

KENTUCKY RETIREMENT SYSTEMS PROCUREMENT CARD POLICY

Approval Date: August 19, 2004

Amended: August 18, 2011

INTRODUCTION

Adoption of Procurement Card Policy:

Pursuant to the provisions of KRS 61.645, the Board of Trustees ("Board") of the Kentucky Retirement Systems ("Systems") is permitted to adopt procedures necessary to conduct the business of the Systems as needed.

Statement of Procurement Card Policy:

The Systems recognizes the fundamental fiduciary principle that goods and services needed to support the operations and mission of the Systems should be acquired or arranged for in the most efficient manner consistent with quality, service, and price. The Board adopted a Procurement Policy on November 20, 2003, which exempted purchases eligible for participation in the Finance and Administration Cabinet Procurement Card Program. In the interests of efficiency and effective conduct of the business of the Systems, the Systems developed its own Procurement Card Policy.

Purpose:

The purpose of this Procurement Card ("ProCard") Policy is to: a) provide for the permitted uses of Procurement Cards, b) provide for efficient use of the Systems' resources, and c) provide a process to ensure appropriate oversight.

PROCUREMENT CARD UTILIZATION

General:

A ProCard may be assigned to Systems' employees upon request by a supervisor that is approved by a Chief Officer and the Executive Director.

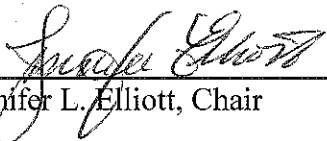
1. All cardholders will be required to sign appropriate terms and conditions of use documentation. New forms shall be executed at least once a year and maintained on file.
2. Only employees of the Systems shall be issued ProCards for use by that employee for purchases as detailed below. Cards shall not be loaned or shared with other employees.

3. Any use of a ProCard shall comply with this policy and the Procurement Policy of the Systems. Employees shall be required to reimburse the Systems for unauthorized use of a ProCard.
4. Employees shall not charge amounts to a ProCard that are in excess of the dollar limit applicable to the ProCard.
5. Employees shall submit invoices, receipts and other documentation necessary to support all charges made on the ProCard assigned to that employee within five (5) days of the documentation being requested by the Division of Accounting. If the supporting documentation is not submitted in accordance with this policy, the employee shall be required to reimburse the Systems for the amount of the purchase(s). The Executive Director may allow an employee to file documentation of a purchase after the five (5) days if the employee shows good cause why the documentation was not timely filed.
6. The ProCard may be used for the following transactions:
 - a. A purchase from a Master Agreement or Catalog.
 - b. Purchases for professional publications that are otherwise approved where the use of a card would be more efficient and expedient.
 - c. Registration fees for approved employee conferences or training.
 - d. Lodging for approved Systems travel.
 - e. Copying or duplicating services with the prior approval of the Executive Director or his designee.
 - f. Board or employee meeting expenses with the prior approval of the Executive Director or his designee.
 - g. Airline reservations for approved training or conferences.
 - h. Travel expenses of the Executive Director, Chief Officers, and other employees as deemed necessary in the performance of their duties. Travel expenses shall only be incurred in conformity with the Travel Policy adopted by the Board of Trustees.
 - i. Expenses related to advertisement of employment opportunities.
7. The ProCard **shall not** be used for the following transactions:
 - a. Alcoholic beverages.
 - b. Automotive gasoline to the extent that mileage is being claimed under the Travel Policy adopted by the Board of Trustees.
 - c. Meals, with the exception of individuals receiving actual and necessary reimbursement under the Travel Policy adopted by the Board of Trustees.
 - d. Cash advances.
 - e. Salaries and wages.
 - f. Personal Services Contract expenditures.
 - g. Lease purchases.

- h. Insurance premiums.
- 8. Purchases shall be for the exclusive use and benefit of the Systems. No purchases for personal items shall be permitted.
- 9. All lost or stolen cards shall be reported immediately to the issuing bank, the cardholder's supervisor and the ProCard administrator for the Systems.
- 10. Care shall be taken to ensure that purchases receive the benefit of the tax-exemption afforded to state agencies when appropriate.
- 11. All items purchased with a ProCard shall be inspected upon receipt. Any returns shall be to the merchant and no returns may be made for cash.
- 12. The Division of Accounting shall maintain documentation for all charges. The receipts for the current fiscal year and at least one prior year shall be maintained on site. The Division of Accounting shall retain records for a total of seven years and develop a schedule for the proper disposal of records at the end of that time.
- 13. The Division of Accounting shall develop a method of review and approval and such forms as are needed to implement the authorized use and payment for goods and services utilizing ProCards. Appropriate separation of duties shall be developed.
- 14. ProCard billings shall be paid in a timely manner in order to avoid any late fees or charges.
- 15. Dollar limits on the amount of charges that may be placed on a ProCard shall be established by the Executive Director after consultation with the ProCard administrator and the appropriate employees.
- 16. All uses of a ProCard shall be consistent with this policy, the Procurement Policy and the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.
- 17. Any violation of this policy shall subject the employee to appropriate disciplinary action in accordance with the Systems' Personnel Policy. Additionally, if any expense is paid by Systems' for which there is no supporting documentation or inadequate documentation, the employee who charged the expense to the ProCard shall reimburse System's the full amount of the charge within ten (10) days of notification, unless adequate supporting documentation is provided.


CERTIFICATION

We, the Chair of the KRS Board of Trustees and the Executive Director, do hereby certify that this Board of Trustees Procurement Card Policy was amended by the Board on this the 18th day of August 2011.



Jennifer L. Elliott, Chair

8-23-11
Date



William A. Thielen, Interim Executive Director

8-23-11
Date